

Senate Bill No. 850

CHAPTER 432

An act to add Sections 6523.6, 6523.7, and 6523.75 to the Government Code, relating to public health.

[Approved by Governor September 21, 1997. Filed
with Secretary of State September 22, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

SB 850, Kelley. Health: local agency joint powers agreement.

Existing law requires counties to provide or secure certain public health care services, and authorizes the formation of local health care districts and the establishment of municipal hospitals for the purpose of providing needed public health care services.

Existing law, the Joint Exercise of Powers Act, permits 2 or more public agencies to enter into an agreement to jointly exercise any power common to the contracting parties.

This bill would provide that, notwithstanding the law relating to joint exercise of powers, a private, nonprofit hospital in a county of the 21st and 33rd class may enter into joint powers agreements with a public agency. However, the bill would prohibit nonprofit hospitals and public agencies participating in a joint powers agreement entered into under this provision from reducing or eliminating any emergency services, as a result of that agreement, following the creation of the joint powers authority without a public hearing by the authority. The bill would require the joint powers authority to provide public notice of the hearing, as prescribed, to the communities served by the authority. The bill also would provide that these provisions shall not be construed to grant any power to any nonprofit hospital that participates in an agreement, to levy any tax or assessment, or to permit any entity, other than a nonprofit hospital corporation or a public agency, to participate as a party to an agreement authorized under these provisions.

This bill would also provide that, notwithstanding the law relating to joint exercise of powers, a nonprofit hospital in a county of the 3rd class may enter into joint powers agreements with a public agency and would state the intent of the Legislature in this connection. The bill would impose on the participants of and authority so formed the requirement of a noticed public hearing before any reduction or elimination of emergency services.

The bill would also state the finding and declaration of the Legislature that a special law is necessary and that a general law cannot be made applicable.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature in enacting this act to do the following:

(a) Meet the challenges of the evolving health care market and carry out the essential governmental function of making health care services available to Medi-Cal eligible and medically indigent citizens served by health care districts, counties, and other public agencies.

(b) Authorize nonprofit hospitals to do all of the following:

(1) Engage in joint planning for health care services.

(2) Allocate health care services among the different facilities operated by the hospitals.

(3) Engage in joint purchasing, joint development and ownership of health care delivery, and financing programs.

(4) Consolidate or eliminate duplicative administrative, clinical, and medical services.

(5) Engage in joint contracting and negotiations with health plans.

(6) Take over cooperative actions in order to provide for the health care needs of the citizens they serve.

SEC. 2. Section 6523.6 is added to the Government Code, to read:

6523.6. (a) Notwithstanding any other provision of this chapter, a private, nonprofit hospital in a county of the 21st class may enter into a joint powers agreement with a public agency, as defined in Section 6500.

(b) Nonprofit hospitals and public agencies participating in a joint powers agreement entered into pursuant to subdivision (a) shall not reduce or eliminate any emergency services, as a result of that agreement, following the creation of the joint powers authority without a public hearing by the authority. The joint powers authority shall provide public notice of the hearing to the communities served by the authority not less than 14 days prior to the hearing and the notice shall contain a description of the proposed reductions or changes.

(c) Nothing in this section shall be construed to grant any power to any nonprofit hospital that participates in an agreement authorized under this section to levy any tax or assessment. Nothing in this section shall permit any entity, other than a nonprofit hospital corporation or a public agency, to participate as a party to an agreement authorized under this section.

SEC. 3. Section 6523.7 is added to the Government Code, to read:

6523.7. (a) Notwithstanding any other provision of this chapter, a private, nonprofit hospital in a county of the 33rd class may enter into a joint powers agreement with a public agency, as defined in Section 6500.

(b) Nonprofit hospitals and public agencies participating in a joint powers agreement entered into pursuant to subdivision (a) shall not reduce or eliminate any emergency services, as a result of that agreement, following the creation of the joint powers authority without a public hearing by the authority. The joint powers authority shall provide public notice of the hearing to the communities served by the authority not less than 14 days prior to the hearing and the notice shall contain a description of the proposed reductions or changes.

(c) Nothing in this section shall be construed to grant any power to any nonprofit hospital that participates in an agreement authorized under this section to levy any tax or assessment. Nothing in this section shall permit any entity, other than a nonprofit hospital corporation or a public agency, to participate as a party to an agreement authorized under this section.

SEC. 4. Section 6523.75 is added to the Government Code, to read:

6523.75. (a) Notwithstanding any other provision of this chapter, a nonprofit hospital in a county of the third class may enter into a joint powers agreement with any public agency, as defined in Section 6500.

(b) Nonprofit hospitals and public agencies participating in a joint powers agreement entered into pursuant to subdivision (a) shall not reduce or eliminate any emergency services, as a result of that agreement, following the creation of the joint powers authority without a public hearing by the authority.

(c) The joint powers authority shall provide public notice of the hearing to the communities served by the authority not less than 14 days prior to the hearing and the notice shall contain a description of the proposed reductions or changes.

(d) Nothing in this section shall be construed to grant any power to any nonprofit hospital that participates in an agreement authorized under this section to levy any tax or assessment. Nothing in this section shall permit any entity, other than a nonprofit hospital corporation or a public agency, to participate as a party to an agreement authorized under this section.

SEC. 5. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing health care providers and nonprofit hospitals in the Counties of Tulare, Kings, and San Diego.

